

DRAFT - DISCUSSION PURPOSES ONLY

be named as a third party beneficiary of such agreements and shall have the rights of Grower under such agreements should ISF carry out Grower's animal nutrient duties hereunder. Grower agrees to indemnify and hold harmless ISF from any claim, loss or damage which results from Grower's failure to comply with this provision, including any loss suffered by ISF as a result of ISF being forced to relocate its hogs from Grower's Facilities for failure to comply with its MMP. In the event that Grower does not, in ISF's sole reasonable opinion, comply with Grower's manure and waste disposal responsibilities under this Agreement, Grower hereby grants ISF full and complete access to the Facilities to carry out Grower's duties at the expense of Grower. In such event, Grower agrees to indemnify and hold harmless ISF from any claim, loss or damage which results from Grower's failure to comply with this provision, including without limitation any claim, loss or damage which results from ISF's actions in performing Grower's duties hereunder. Any payment due Grower under this Agreement shall be reduced by any and all expenses, costs, fines, penalties, attorney's fees, losses and other damages incurred by ISF in the removal, handling or disposal of manure due to Grower's failure to properly remove, handle or dispose of such manure.

g. Pollution Prevention and Odor Control. Grower shall take all reasonable steps necessary to prevent any pollution associated with the operation of the Facilities and to reduce odor from the Facilities. ISF agrees to share information with Grower as to odor control know-how and technology. Grower agrees to either inject manure into the ground or to land apply manure and incorporate the manure within 24 hours thereafter and not to use spray irrigation for manure; provided, however, that Grower can utilize spray irrigation for effluent from anaerobic treatment systems. Grower shall respect all applicable setback requirements for the Units and the waste storage facility at the Facilities. Grower agrees to consult with Grower's neighbors regarding the timing of manure applications from the Facilities. Grower agrees to take reasonable steps to reduce odor by the planting of windbreaks such as Austrees or sudan grass or bluestem around the waste storage system and the Units.

h. Dead Animal Disposal. Grower shall be solely responsible for disposing of all dead animals in accordance with all governmental regulations, public health laws and consistent with good management practices and will provide necessary documentation of use of all disposal services.

i. Insurance. Grower shall obtain standard form liability insurance coverage from bodily injury and property damage with minimum limits of \$500,000 and shall furnish ISF with certificates of insurance. ISF will provide adequate fire and wind insurance on its hogs.

j. Security and Bio-security Measures. Grower shall take reasonable steps to secure the Facilities and the Units. Grower shall provide locked gates, locked buildings and security lights. Grower shall also provide: (1) at least two fans per Unit on a separate thermostat which is set to activate the fans when the internal temperature at the Unit exceeds 80 degrees; (2) a back-up electric generator system at the Facilities if the number of Pig Spaces at the Facilities exceeds 1,000 and (3) a dialer system to Grower and to ISF's offices and personnel if the number of Pig Spaces at the Facilities exceeds 5,000. Grower shall follow and shall insure that any visitors to the Facilities strictly adhere to ISF's bio-security guidelines.

5. Grower's Warranties. Grower warrants and represents that Grower will: (i) adhere to the feeding and health maintenance programs and management recommendations provided by ISF; (ii) endeavor at all times to produce hogs of the highest and best quality; (iii) not use any Supplies except those provided or approved by ISF; (iv) cooperate fully with ISF to provide, prepare and make available records supporting the care and feeding of ISF's hogs and (v) comply with all laws and regulations applicable to the feeding and care of ISF's hogs.

6. Grow/Finish Duties of ISF. ISF will be responsible for the following duties with respect to the grow/finish of ISF's hogs at the Facilities:

ISF INITIALS: _____

GROWER INITIALS: _____

REVDATE 053095